

Estimated Fiscal Impact of Bill # HB 230 Date 1/20/09Short Title Creid Require in Teacher Transfers

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Short Form

Use only when there is no appropriation needed for state agencies, and no fiscal impact on state revenues, local governments, businesses, or individuals.

If the bill looks like it should have a fiscal note, explain why it does not. For example, a bill might put into code something that is already current practice.

Attachments welcome.

- | | |
|-------------------------------------|---|
| <input checked="" type="checkbox"/> | State agencies will not require an appropriation to implement the bill. |
| <input type="checkbox"/> | There is no fiscal impact on local governments. |
| <input checked="" type="checkbox"/> | There is no fiscal impact on businesses |
| <input type="checkbox"/> | There is no fiscal impact on individuals. |
| <input checked="" type="checkbox"/> | The bill will not affect revenues. |

Explain why this bill has no fiscal impact.

A. What parts of the bill cause fiscal impact?

Cite specific sections or line numbers.

lines 29-34

B. Which program gets the appropriation?

(Approp. Unit Code)

(To appropriate to an additional program use an additional form.) This is ____ of ____.

C. Work Notes: Assumptions, calculations & what are we buying?

Assume that a legislator calls you in to explain how you came up with your fiscal impact and these are the only notes you get to take with you.

List all costs. Identify one-time and ongoing costs. Detail FTE impacts.

Do not say, "\$50,000 in Current Expense." Be very specific about what \$50,000 will buy.

Attachments encouraged.

This bill will have a fiscal impact on local education agencies. Generally, districts accept no more than 7-11 years of experience when hiring a new teacher. If they were required to accept all teaching experience inside and outside the state's public schools, it may greatly affect their hiring practices. The bill could create incentives to hire less experienced teachers.

It is difficult to calculate the fiscal impact on local education agencies because each has their own hiring policies and we can't predict how many teachers they will hire and how many years of experience the teachers will have.

An informal survey of school districts was conducted by USOE. The response from the districts are on the next sheet.

The bill could also have a fiscal impact on individual teachers. Teachers with more years of experience could receive a higher salary; however, they may also be passed over for a teacher with less experience because they "cost less."

Fiscal Impact Tables

Current Budget Year
FY 2009

Coming Budget Year
FY 2010

Future Budget Year
FY 2011

D. If this is a revenue bill, show impacts here. (Select funds from drop-down menu.)

Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

E. Show Costs to Implement the Bill by Fund (Select funds from drop-down menu.)

Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

F. Show Costs to Implement the Bill by Expense Category.

Personal Services			
Travel			
Current Expense			
DP Current Expense			
DP Capital Outlay			
Capital Outlay			
Other/Pass Thru			
Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

G. How will the bill impact local governments?

Your estimate of the bill's impact
on local governments.

Attachments welcome.

H. How will the bill impact businesses?

Your estimate of the bill's impact
on businesses.

Attachments welcome.

I. How will the bill impact individuals?

Your estimate of the bill's impact
on individuals.

Attachments welcome.

This is a draft fiscal note response from the Utah State Office of Education (USOE) and may be revised in the future.

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Alpine

The cost of teachers would increase significantly. Alpine gives credit for experience up to the first four years then one year of credit for every two years experience to a maximum of seven years. Alpine retirees returning to work receive a maximum of four years of experience. Exceptions are granted in areas of scarcity or as approved by the administration (that happens more frequently than in the past).

Davis

The Davis District grants salary schedule credit for a retired teacher coming back to work or a teacher transferring from another district at a maximum of ten years. If the district was required to put these teachers on a step that recognized all teaching experience it could result in a cost increase.

Duchesne

In the current labor market this district is granting most experience and the bill would only have a \$10,000 impact. Several years ago the district hired teachers quite often without giving full experience and the bill would have had a \$50,000 impact.

Logan

Logan School District's policy is currently flexible and allows for full years of service to be given as recommended by the Superintendent although only ten years may be enforced. The passage of this bill could be detrimental to the hiring practice of school districts. For example, if a district is required to pay all years of service, the preferred candidate for a job may not be affordable. That candidate may be willing to take a cut in pay in order to having the new employment.

Millard

Millard School District currently has a policy that only grants credit up to Step 8, with their local Board being able to make an exception only up to Step 10.

Morgan

If Morgan School District had to pay for all years of service they would rarely hire experienced teachers and would never hire teachers who had retired from another district. They could not afford it. This would add to the teacher shortage problem they are facing.

Uintah

Uintah School Districts allows up to seven years of experience credit. This bill could potentially cost the district \$11,800 per new hire. This past year the district hired over 40 employees. In the current year this bill would have had a fiscal impact around \$475,000. There would also be an impact in the future years as well.